

Mid-Week Markets Recap: February 4, 2026

Project Vault

Earlier this week, President Donald Trump unveiled Project Vault, an initiative dedicated to the nurturing of a critical-minerals stockpile. Minerals such as gallium, lithium, uranium, & copper are some of the main minerals aimed to be included. In terms of capital provision for this project, \$10 billion comes in the form of a loan from the U.S. Import-Export Bank, while the other \$2 billion comes from private sources. Companies such as GM, Stellantis, Boeing & Google have also expressed their interest in this project. Overall, this initiative is just one piece of a broader strategy that underscores the administration's push to reduce America's reliance on China, particularly in the sourcing and processing of precious metals. Last July, the Pentagon signed a deal with rare-earth miner MP Materials, and earlier last week the Commerce Department announced its plans to finance the USA Rare Earth startup in exchange for an ownership stake. Taken together with recent Pentagon and Commerce Department actions, Project Vault signals a coordinated federal effort to onshore critical-mineral supply chains and reduce strategic vulnerabilities tied to foreign dependence.

OpenAI & Nvidia

In September 2025, Nvidia & OpenAI announced an agreement between themselves, one in which Nvidia agreed to invest up to \$100 billion in data centers (which use Nvidia chips) & other artificial intelligence infrastructures for OpenAI. Last Sunday, Huang, in a recent interview, announced his updated plans regarding this investment. Although Huang is pleased with OpenAI & its progress, he still intends to stagger his investment. He highlighted that the \$100 billion was never a commitment and that moving forward potential investments will be looked at one round at a time.

Oracle Continues to Invest

Oracle recently announced plans to raise up to \$50 billion in funding through a mix of debt & equity in order to build more capacity for its Cloud Infrastructure business. Around \$30 billion of the funding needed is to come in the form of corporate bonds, while the remaining comes through a mix of the issuance of preferred stock, as well as new common-stock via an "at-the-market issuance". In the past Oracle has had trouble delivering the data processing capacity required by some of its major customers (OpenAI, Meta), and this recent plan represents efforts being made to resolve this deficiency. It's clear that Oracle is doubling down on its AI efforts and is intent on remaining a player. Following this announcement, Oracle shares fell lower in its premarket session.

Palantir's Continued Expansion

Palantir kicked off the week with a strong earnings report, highlighting continued momentum in its core business. The fourth quarter brought in around \$1.4 billion revenue displaying a growth rate of 70% on a YOY basis. Overall revenue for the year was \$4.475 billion, 56% higher than FY24. Adjusted EPS came to .25c per share, compared to analyst estimates of .23c. For the next quarter, Palantir expects revenue to be between \$1.532 to \$1.536 billion, alongside adjusted income from operations around \$870 - \$874 million. For FY26 overall, revenue is expected to be around \$7.182 - \$7.198 billion, and adjusted income from operations between \$4.126 - \$4.142 billion. Following the report, Palantir's shares were up 11% in its premarket trading session.

Musk Continues to Innovate

Tuesday SpaceX announced its acquisition of xAI in what now becomes the world's largest M&A deal. xAI was valued at \$250 billion and acquired through a stock-for-stock structure, one in which each shareholder of xAI received .1433 shares of SpaceX. Together the combined value of these two companies stands at \$1.25 trillion. Some of the key reasons for this merger include the intent of long-term AI scaling through the deployment of data centers in orbit, vertical integration of the two firms, and providing more capital for xAI. It is also worth noting that SpaceX is rumored to go public this summer, and many have seen this acquisition as a strategic ploy to boost valuations prior to this.

Software Sell-Off

Major software names including Thomson Reuters, ServiceNow, Intuit, and PayPal came under pressure yesterday amid a broad sell-off across the sector. The move followed the announcement of Anthropic's new legal AI tool, which automates functions such as contract review, legal drafting, and templated workflows, reigniting investor concerns around AI-driven disruption to traditional software business models. As fears around pricing power and long-term relevance grew, selling pressure extended beyond public software companies into private-market names as well. Firms with heavy exposure to the space, including KKR, Blackstone, and Blue Owl Capital, also traded lower, reflecting broader unease across both public and private software ecosystems.

AMD Down Despite Strong Earnings

AMD finally delivered its long-anticipated results after the bell, and while the headline numbers looked solid at first glance, a deeper read showed the quarter may not have been as strong as it initially appeared. Revenue for the fourth quarter was \$10.27 billion, beating analyst expectations of \$9.69 billion. EPS also posted a strong beat at \$1.53 per share, compared to estimates of \$1.32. Despite this strength, what caught investors' attention was where these figures came from, and a significant chunk of them came from unexpected chip sales in China. When accounting for these sales, the beat was a lot less substantial than initially thought. In line with this, concerns were further amplified by management's forward guidance, which came in below market expectations and weighed on sentiment.

Pharmaceutical Developments

Novo Nordisk was all over the headlines this morning following their forecast expecting a steep decline in sales in the year to come (around 5-13%). This forecast comes amid the combination of factors such as intensified competition, the rise of “copycat” drugs, and the significant price reductions of their Ozempic & Wegovy drugs in the United States. Shares fell around 20% in the Copenhagen trading session, marking the share’s largest decline since July 2025. The company now currently trades at a market capitalization of \$215 billion, well below its 2024 peak of \$600 billion where it was Europe’s most valuable company. In contrast to this, one of Novo Nordisk’s fiercest competitors, Eli Lilly, offered a much more optimistic outlook following its earnings report. Bottom-line EPS for the quarter came in at \$7.54 a share, beating analyst expectations of \$6.67 a share. They also provided a robust FY26 outlook, projecting adjusted EPS of \$33.5–\$35 per share, exceeding the Street’s expectation of approximately \$33. Following its earnings report, Eli Lilly was up 8.5% in its pre-market session.

Google Delivers Another Beat

Google’s earnings this quarter came in stronger than expected, extending the trend of big-tech beats. Alphabet reported \$113.8 billion in revenue for Q4 2025, an 18% YOY increase that topped expectations of roughly \$111.3 billion, while EPS came in at \$2.82 versus expectations near \$2.63–\$2.64. Growth was broad-based, with Google Services and ads continuing to scale and Cloud revenue jumping about 48% as enterprise AI demand accelerates. Annual revenue for the full year surpassed the \$400 billion mark for the first time, highlighting sustained momentum across Search, YouTube, and AI-driven businesses. “Management outlined plans to nearly double capital expenditures in 2026 to roughly \$175 billion to \$185 billion to expand AI infrastructure, a step that unsettled some traders even as the company delivered strong underlying results. Overall, it was a solid beat on both top and bottom lines, with the forward capex guide now becoming the main talking point following the call.